

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 EB-08 OPIC-03 COME-00 CIAE-00  
INR-07 NSAE-00 IGA-02 /036 W  
-----280549 069037 /20  
R 280410Z FEB 77  
FM AMEMBASSY KABUL  
TO SECSTATE WASHDC 1577

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FOR NEA/PAB

E.O. 11652: N/A  
TAGS: EAID, ECON, AF  
SUBJ: KAJAKAI OVER-RUNS

1. ALTHOUGH BOTH NOLAN PIKE OF INTERNATIONAL ENGINEERING COMPANY (IECO) AND BILL HUTSON OF FISCHBACH-OMAN INTERNATIONAL (FOI) ARE IN KABUL FOR FINAL RESOLUTION OF KAJAKAI OVER-RUN CLAIMS (THE LATTER HAS NOW BEEN HERE OVER A MONTH) NEITHER THEY NOR THE EMBASSY HAS BEEN ABLE TO ARRANGE NEGOTIATING SESSIONS WITH POLICY-LEVEL OFFICIALS IN THE MINISTRY OF WATER AND POWER (MWP) WHO ARE EMPOWERED TO TAKE A FINAL DECISION IN THE MATTER. THE SITUATION HAS, TO BE SURE, BEEN COMPLICATED BY THE ABSENCE OF ALL MINISTERS DURING THE LOYA JIRGAH AND THE FACT THAT A NEW CABINET HAS YET TO BE ANNOUNCED. HOWEVER, AS LATE AS YESTERDAY, FEBRUARY 26, THE DE FACTO DEPUTY MINISTER IN WATER AND POWER REFUSED EVEN TO SEE IECO, ALTHOUGH THE COMPANY IS THE ENGINEERING ADVISOR TO THE GOVERNMENT OF AFGHANISTAN (GOA) FOR THE KAJAKAI PROJECT. THE REASON GIVEN WAS THAT MSP IS PREPARING A POSITION PAPER, WHICH WOULD BE READY IN "TWO OR THREE DAYS," FOR TRANSMISSION TO USAID. NEEDLESS TO SAY, PATIENCE OF BOTH IECO AND FOI IS WEARING THIN. FOI  
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HAS ALREADY INFORMED MWP THAT IF RESOLUTION CANNOT BE REACHED SPEEDILY, THEY ARE PREPARED TO GO TO ARBITRATION. THEY ALSO TELL US THAT IF GOA REFUSES TO PARTICIPATE IN THE ARBITRATION PROCEEDINGS, FOI WILL FILE A CLAIM FOR THE OVER-RUN COSTS WITH OPIC.

2. ACCORDINGLY, WE HAVE TODAY DELIVERED A STRONG  
NOTE TO THE MINISTRY OF FOREIGN AFFAIRS (MFA)  
URGENTLY REQUESTING MFA ASSISTANCE IN SETTING UP  
A NEGOTIATING SESSION BETWEEN FOI AND IECO PLENIPOTENTIARIES  
AND AN APPROPRIATE MWP OFFICIAL WHO  
IS EMPOWERED TO TAKE A DECISION IN THE MATTER. WE  
HAVE POINTED OUT TO MFA THE POTENTIALLY ADVERSE  
EFFECTS WHICH COULD FLOW FROM EITHER ARBITRATION  
PROCEEDINGS OR A CLAIM TO OPIC AND STRESSED THE URGENCY  
OF THE CASE -- WHICH IS HEIGHTENED BY THE FACT THAT  
WE ARE VERY NEAR THE END OF THE AFGHAN FISCAL YEAR  
(ALL EXPENDITURE CLAIMS MUST BE FILED BY MARCH 10  
FOR THIS FISCAL YEAR, WHICH ENDS MARCH 20).

3. WE WILL KEEP YOU INFORMED OF SUBSEQUENT  
DEVELOPMENTS.  
ELIOT

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CLAIMS, OPERATING COSTS  
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**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977KABUL01421  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770068-0274  
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**Message ID:** 7d8a17c5-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Reference:** n/a  
**Retention:** 0  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3290838  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** KAJAKAI OVER-RUNS  
**TAGS:** EAID, ECON, AF, INTERNATIONAL ENGINEERING CO, FISCHBACH OMAN INTERNATIONAL  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/7d8a17c5-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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